RISK-BASED CAPITAL

Top 100 Banking Companies' Risk-Based Capital

The new tier 1, tier 2, and total capital of the top 100 U.S. bank holding companies on Dec. 31, 1989
Banks are listed geographically, and within state by asset order (in thousands of dollars)

Rank		Total Assets	Tier 1 Capital	Tier 2 Capital	Total Capital	Primary Capital	Tier 1 Cap. Ratio	Total Cap. Ratio	Primary Cap. Ratio
	MISSOURI								
42	Boatmen's Bancshares, Inc.	14,542,400	974,592	327,512	1,302,104	1,224,905	9.05	12.09	8.34
74	Mercantile Bancorporation Inc.	6,942,171	373,000[3]	150,043[3]	523,043[3]	528,359	7.95	9.70	7.48
84	Commerce Bancshares, Inc.	5,829,150	377,735	51,859	429,594	456,764	8.95	10.17	7.76
	NEW JERSEY								
20	First Fidelity Bancorp.	30,727,815	1,315,000	931,000	2,246,000	2,161,806	5.62	9.61	6.95
32	Midlantic Corp.	23,665,536	1,372,502	587,036	1,959,538	2,105,675	6.54	9.34	8.75
47	UJB Financial Corp.	12,172,290	835,582	182,484	1,018,066	974,666	8.81	10.73	7.93
	NEW YORK								
1	Citicorp	230,643,000	N.A.	N.A.	N.A.	18,109,000	4.04[1]	8.08[1]	7.69
2	Chase Manhattan Corp.	107,369,000	N.A.	N.A.	11,958,000	8,928,000	4.44	8.87	8.23
4	J.P. Morgan & Co., Inc.	88,964,000	3,983,000	2,856,000	6,839,000	7,781,230	5.90	10.10	9.70
6	Chemical Banking Corp.	71,513,000	4,705,000[1]	3,556,000[1]	8,261,000[1]	6,663,000	4.65[2]	8.74[2]	8.99
8	Manufacturers Hanover Corp.	60,479,000	3,193,000	2,560,000	5,753,000	6,695,000	5.69	10.24	10.95
10	Bankers Trust New York Corp.	55,658,446	N.A.	N.A.	N.A.	5,320,575	4.34	8.08	9.48
11	Bank of New York Co., Inc.	48,856,471	2,279,651	1,515,815	3,795,466	4,296,296	4.61	7.58	8.60
25	Marine Midland Banks, Inc.	27,066,546	1,008,234	1,008,234	2,016,468	2,555,695	3.77	7.54	9.13
28	Republic New York Corp.	25,466,993	1,614,044	1,126,818	2,740,862	1,812,793	12.45	21.15	7.04
35	National Westminster Bancorp, Inc.	21,772,979	2,117,435	25,480	2,142,915	2,270,351	8.55[1]	9.26[1]	10.17
41	KeyCorp	15,461,365	770,735	306,974	1,077,709	1,216,667	6.89	9.64	7.81
86	European American Bancorp	5,763,813	N.A.	N.A.	N.A.	459,784	N.A.	N.A.	N.A.
79	First Empire State Corp.	6,233,799	406,106	52,735	458,841	464,387	9.20	10.39	7.38
	NORTH CAROLINA								
7	NCNB Corp.	66,190,763	2,505,688	1,814,779	4,320,467	3,517,979	5.00	8.62	5.69
17	First Union Corp.	32,130,558	N.A.	N.A.	3,162,931	2,525,304	6.49[6]	11.05[6]	7.80
31	First Wachovia Corp.	24,049,523	1,705,758	299,592	2,005,350	1,933,403	8.45	9.94	7.98
96	BB&T Financial Corp.	4,807,836	311,051	121,933	432,984	365,715	9.00	12.53	7.55
	OHIO								
26	Banc One Corp.	26,552,237	2,103,011	474,974	2,577,985	2,530,237	8.98	11.01	9.44
34	National City Corp.	22,971,688	1,433,000	474,000	1,907,000	1,772,804	7.45	9.91	7.63
54	Ameritrust Corp.	11,233,140	626,217	285,911	912,128	827,853	6.53	9.52	7.30
56	Society Corp.	10,903,327	682,661	199,203	881,864	835,004	8.01	10.35	7.60
50	Huntington Bancshares, Inc.	11,679,762	753,534	92,493	846,027	865,888	8.90	10.00	6.85
91	Trustcorp. Inc. (c)	5,327,295	N.A.	N.A.	N.A.	337,158	N.A.	N.A.	N.A.
72	Fifth Third Bancorp	7,142,972	N.A.	N.A.	N.A.	779,217	N.A.	N.A.	10.8
83	Star Banc Corporation	5,949,401	432,019	70,792	502,811	519,922	10.25[4]	12.47[4]	8.38
	OREGON								
38	U.S. Bancorp.	16,975,400	919,878	442,720	1,362,598	1,282,300	6.57	9.73	7.49
	PENNSYLVANIA								
14	PNC Financial Corp	45,660,744	2,740,000	826,000	3,566,000	3,500,482	7.48	9.73	7.56
18	Mellon Bank Corp.	31,467,000	1,328,000	1,208,000	2,536,000	2,494,000	4.60	8.79	7.77
39	CoreStates Financial Corp.	16,848,649	1,233,532	725,300	1,958,832	1,593,082	8.10	12.80	9.36
49	Meridian Bancorp., Inc.	11,925,145	659,673	88,676	748,349	877,045	6.97	8.82	7.30
77	First Pennsylvania Corp. (d)	6,604,862[4]	384,000[4 5]	137,000[4 5]	521,000[4 5]	N.A.	6.54[4 5]	8.87[4 5]	N.A.
75	Integra Financial Corp.	6,767,642	531,850	71,915	603,765	604,990	10.60	12.03	8.83
	RHODE ISLAND								
16	Fleet/Norstar Financial Group, Inc.	33,440,789	2,046,999	970,443	3,017,442	2,784,001	7.26	10.70	8.24
	SOUTH CAROLINA								
80	South Carolina National Corp.	6,215,569	434,430	97,029	531,459	490,358	7.95[3]	9.73[3]	7.82
	TENNESSEE								
73	First American Corp.	7,058,327	423,532	112,562	536,094	551,297	7.46	9.44	7.68
78	First Tennessee National Corp.	6,397,532	379,729	188,636	568,365	515,549	7.60[3]	11.40[3]	7.98
	TEXAS								
43	First City Bancorp. of Texas, Inc.	14,080,966	746,809	177,401	924,210	920,862	7.16	8.86	6.47
	UTAH								
85	First Security Corp.	5,794,767	414,824	96,389	511,213	480,044	9.19	11.32	8.33
	VIRGINIA								
29	Sovran Financial Corp.	25,442,264	1,571,130	511,786	2,082,916	1,957,650	7.07[4]	9.65[4]	7.64
45	Signet Banking Corp.	12,476,092	715,128	356,320	1,071,448	873,983	7.13	10.68	6.95
53	Crestar Financial Corp.	11,360,817	723,934	234,049	957,983	843,500	7.30	9.60	7.86
59	Dominion Bankshares Corp.	10,119,695	566,001	201,520	767,521	799,124	7.00	8.20	7.80
94	First Virginia Banks, Inc.	5,123,964	440,349	40,905	481,254	495,504	12.14	13.27	9.59
90	Central Fidelity Banks, Inc.	5,335,200	378,493	18,000	396,493	413,649	10.25[3]	10.74[3]	7.75
	WISCONSIN								
62	Firstar Corporation	8,607,873	508,302	238,400	746,702	678,721	7.95	11.67	7.80
71	Marshall & Ilsley Corp.	7,150,841	544,638	144,864	689,502	654,809	10.70	13.80	9.08

Table described: American Banker asked the top 100 U.S. bank holding companies (based on assets on Dec. 31, 1989) to report their yearend capital based on the new risked-based capital guidelines that go into effect at yearend 1992. American Banker also asked the banks to calculate the new risked based capital ratios— the Tier 1 and Total (Tier 1 + Tier 2) ratios, based on the final 1992 guidelines, whenever possible. Also shown is primary capital and the primary capital ratio as calculated by the banks for regulatory purposes. **The new guidelines:** On January 19, 1989, the Federal Reserve Board issued final guidelines to implement risk-based capital requirements for state member banks and bank holding companies. The guidelines are based on the framework adopted in July 1988 by the Basle Committee on Banking Regulations and Supervisory Practices, which includes the supervisory authorities of 12 major industrial countries. These guidelines redefine capital as "Tier 1" (core) and "Tier 2" (supplemental) capital; establish minimum interim requirements that must be reached by yearend 1990; and more stringent final requirements that must be reached by yearend 1992. **Tier 1 capital:** for bank holding companies, Tier 1 capital consists of: common stockholders' equity; qualifying noncumulative perpetual preferred stock; and minority interest in the equity accounts of consolidated subsidiaries minus goodwill; minus 50% of investments in certain subsidiaries (banking and finance subsidiaries that are not consolidated for accounting or supervisory purposes and, on a case by case basis, investments in other designated subsidiaries or associated companies at the Fed's discretion) and minus 50% of the reciprocal holdings of the capital instruments of other banking companies. **Goodwill:** With respect to goodwill, goodwill recorded prior to March 12, 1988 is grandfathered until 1992. After 1992, all godwill will be subtracted out. **Tier 2 capital:** consists of qualifying loan and lease loss reserves, perpetual preferred stock, mandatory convertible notes, perpetual debt, and subordinated term debt minus 50% investment in certain subsidiaries and minus 50% of the reciprocal holdings of the capital instruments of other banking companies. **Limits:** perpetual preferred stock included in Tier 1 capital is limited to 25% of the sum of all core capital elements. Also, for the purposes of calculating the total capital requirements, the amount of Tier 2 capital used in the computation cannot exceed the amount of Tier 1 capital. In addition, during the transition period, the guidelines reduce the amount of the allowance that may be included in total capital. **Interim guidelines:** By yearend 1990, the amount of the allowance qualifying as capital will be limited to 1.5% of an institutions weighted risk assets. By yearend 1992, the amount of the allowance qualifying for inclusion in Tier 2 capital cannot exceed 1.25% of weighted risk assets. In addition, combined subordinated debt and term preferred stock included in Tier 2 capital may not exceed 50% of Tier 1 capital. Under the 1990 guidelines, supplemental capital comprised of Tier 2 elements can be included in Tier 1 capital up to 10% of the sum of Tier 1 capital pluss goodwill. **The target ratios:** The Federal Reserve Board has established the following targets: **by yearend 1990,** the ratios of Tier 1 and total capital to weighted risk assets should be **3.625%** and **7.25%,** respectively. **By yearend 1992,** the ratios of Tier 1 and total capital to weighted risk assets should be **4.00%** and **8.00%,** respectively. **Primary capital** is the sum of total shareholders' equity, mandatory convertible debt, allowance for possible loan and lease losses, and minority interest in equity accounts of consolidated subsidiaries. **The primary capital ratio** is the regulatory ratio compiled by the banks. It is calculated by dividing primary capital by the sum of total assets and the allowance for possible loan and lease losses. **(a)**— On Jan. 29 First Union Corp. acquired Florida National Banks of Florida. **(b)**— On Jan. 18, MNC acquired Equitable Bancorp. **(c)**— On Jan. 2, Society Corp. acquired Trustcorp. **(d)**— On March 5, CoreStates acquired First Pennsylvania Corp. **(1)**— Based on 1990 transitional rules. **(2)**— Ratios computed using the final 1992 rules. **(3)**— Estimated. **(4)**— Data provided by the Hoboken, N.J. office of **SNL Securities**, Charlottesville, Va. **(5)**— Data are as of Sept. 30, 1989. **(6)**— Pro forma. Includes Florida National Banks Inc. which was acquired on Jan. 29. **N.A.**— Not available.

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Risk-Based Capital Ratios

Yearend 1989 ratios calculated under the 1992 guidelines

Tier 1 Capital ratios

Rank		Tier 1 Ratio
1	Republic New York Corp.	12.45
2	First Virginia Banks Inc.	12.14
3	State Street Boston Corp.	11.80
4	Marshall & Ilsley Corp.	10.70
5	Integra Financial Corp.	10.60
6	First Maryland Bancorp.	10.58
7	Star Banc Corporation	10.25[4]
7	Central Fidelity Banks Inc.	10.25[3]
9	First Florida Banks Inc.	10.20[4]
10	Old Kent Financial Corp.	9.75
11	First of America Bank Corp.	9.73
12	United Banks of Colorado Inc.	9.26
13	AmSouth Bancorporation	9.23
14	First Empire State Corp.	9.20
15	First Security Corp.	9.19
16	Boatmen's Bancshares Inc.	9.05
17	Central Bancshares of the South	9.00[3]
17	BB&T Financial Corp.	9.00
19	Banc One Corp.	8.98
20	Commerce Bancshares Inc.	8.95
21	Huntington Bancshares Inc.	8.90
22	Bancorp Hawaii Inc.	8.86
23	INB Financial Corp.	8.82
24	UJB Financial Corp.	8.81
24	Michigan National Corp.	8.81
26	National Westminster Bancorp Inc.	8.55[1]
27	West One Bancorp	8.50
28	First Wachovia Corp.	8.45
29	Merchants National Corp.	8.30
30	First American Bankshares	8.24
31	Manufacturers National Corp.	8.10
31	CoreStates Financial Corp.	8.10
33	SunTrust Banks Inc.	8.03
34	Society Corp.	8.01
35	Firstar Corporation	7.95
35	Mercantile Bancorporation Inc.	7.95
35	South Carolina National Corp.	7.95[3]
38	First Hawaiian Inc.	7.76
39	First Tennessee National Corp.	7.60[3]
40	NBD Bancorp. Inc.	7.59
41	PNC Financial Corp	7.48
42	First American Corp.	7.46
43	National City Corp.	7.45
44	Crestar Financial Corp.	7.30
45	Fleet/Norstar Financial Group Inc.	7.26
46	First City Bancorp. of Texas Inc.	7.16
47	Signet Banking Corp.	7.13
48	Sovran Financial Corp.	7.07[4]
49	SouthTrust Corp.	7.02
50	Dominion Bankshares Corp.	7.00
51	Meridian Bancorp. Inc.	6.97
52	KeyCorp	6.89
53	Bank South Corp.	6.85
54	BayBanks Inc.	6.76
55	First Commerce Corp.	6.58[4]
56	U.S. Bancorp.	6.57
57	First Pennsylvania Corp.	6.54[5]
57	Midlantic Corp.	6.54
59	Ameritrust Corp.	6.53
60	First Union Corp.	6.49[6]
61	Comerica Inc.	6.43[4]
62	Riggs National Corp.	6.39
63	Harris Bankcorp Inc.	6.20
64	MNC Financial Inc.	6.14
64	Hibernia Corp.	6.14[3]
66	Barnett Banks Inc.	6.09[3]
67	City National Corp.	5.98
68	J.P. Morgan & Co. Inc.	5.90
69	Citizens & Southern Corp.	5.71
70	Manufacturers Hanover Corp.	5.69
71	First Fidelity Bancorp.	5.62
72	BankAmerica Corp.	5.61
73	BanCal Tri-State Corp.	5.57
74	Southeast Banking Corp.	5.50
75	Continental Bank Corp.	5.40
76	Norwest Corp.	5.30
76	Northern Trust Corp.	5.30
78	Shawmut National Corp.	5.01[2]
79	NCNB Corp.	5.00
80	Wells Fargo & Co.	4.95
81	First Chicago Corp.	4.70
82	Chemical Banking Corp.	4.65[2]
83	Bank of New York Co. Inc.	4.61
84	Mellon Bank Corp.	4.60
85	Chase Manhattan Corp.	4.44
86	First Bank System Inc.	4.40
87	Bankers Trust New York Corp.	4.34
88	Security Pacific Corp.	4.10
89	Citicorp	4.04[1]
90	Marine Midland Banks Inc.	3.77
91	First Interstate Bancorp.	3.66
92	Bank of New England Corp.	1.72[1]
--	Bank of Boston Corp.	N.A.
--	First Alabama Bancshares Inc.	N.A.
--	European American Bancorp	N.A.
--	Fifth Third Bancorp	N.A.
--	Valley National Corp.	N.A.
--	Equitable Bancorporation	merged
--	Florida National Banks Inc.	merged
--	Trustcorp. Inc.	merged

Total Capital Ratios

Rank		Total Capital Ratio
1	Republic New York Corp.	21.15
2	State Street Boston Corp.	14.50
3	Marshall & Ilsley Corp.	13.80
4	First Virginia Banks Inc.	13.27
5	First Maryland Bancorp.	13.04[4]
6	CoreStates Financial Corp.	12.80
7	BB&T Financial Corp.	12.53
8	Star Banc Corporation	12.47[4]
9	Old Kent Financial Corp.	12.44
10	Riggs National Corp.	12.15
11	Boatmen's Bancshares Inc.	12.09
12	Integra Financial Corp.	12.03
13	AmSouth Bancorporation	12.01
14	First of America Bank Corp.	11.86
15	Firstar Corporation	11.67
16	First Florida Banks Inc.	11.43[4]
17	First Tennessee National Corp.	11.40[3]
18	First Security Corp.	11.32
18	Michigan National Corp.	11.32
20	SouthTrust Corp.	11.27
21	United Banks of Colorado Inc.	11.22
22	First Union Corp.	11.05[6]
23	Merchants National Corp.	11.03
24	Banc One Corp.	11.01
24	SunTrust Banks Inc.	11.01
26	Comerica Inc.	10.92[4]
27	INB Financial Corp.	10.91
28	Central Fidelity Banks Inc.	10.74[3]
28	UJB Financial Corp.	10.73
30	Fleet/Norstar Financial Group Inc.	10.70
31	First Commerce Corp.	10.68[4]
31	Signet Banking Corp.	10.68
33	West One Bancorp	10.67
34	First Empire State Corp.	10.39
35	Norwest Corp.	10.37
36	Society Corp.	10.35
37	Manufacturers Hanover Corp.	10.24
38	Commerce Bancshares Inc.	10.17
39	Bancorp Hawaii Inc.	10.14
40	J.P. Morgan & Co. Inc.	10.10
41	Central Bancshares of the South	10.00[3]
41	Huntington Bancshares Inc.	10.00
43	First Wachovia Corp.	9.94
44	Wells Fargo & Co.	9.91
44	National City Corp.	9.91
46	U.S. Bancorp.	9.73
46	South Carolina National Corp.	9.73[3]
46	PNC Financial Corp	9.73
49	NBD Bancorp. Inc.	9.72
50	Southeast Banking Corp.	9.70
50	Mercantile Bancorporation Inc.	9.70
52	Sovran Financial Corp.	9.65[4]
53	KeyCorp	9.64
54	BanCal Tri-State Corp.	9.61
54	First Fidelity Bancorp.	9.61
54	Manufacturers National Corp.	9.61
57	Crestar Financial Corp.	9.60
58	Ameritrust Corp.	9.52
59	First American Corp.	9.44
60	Citizens & Southern Corp.	9.40
61	Bank South Corp.	9.34
61	Midlantic Corp.	9.34
63	National Westminster Bancorp Inc.	9.32[1]
64	First American Bankshares	9.26
65	BankAmerica Corp.	9.11
66	First Hawaiian Inc.	8.97
67	Chase Manhattan Corp.	8.87
67	First Pennsylvania Corp.	8.87[5]
69	First City Bancorp. of Texas Inc.	8.86
70	Meridian Bancorp. Inc.	8.82
71	Mellon Bank Corp.	8.79
72	Chemical Banking Corp.	8.74[2]
72	Shawmut National Corp.	8.74[2]
74	NCNB Corp.	8.62
75	Barnett Banks Inc.	8.61[3]
76	Northern Trust Corp.	8.60
77	Harris Bankcorp Inc.	8.40
78	BayBanks Inc.	8.36
79	Dominion Bankshares Corp.	8.20
79	Security Pacific Corp.	8.20
81	MNC Financial Inc.	8.19
82	Bankers Trust New York Corp.	8.08
82	Citicorp	8.08[1]
84	First Chicago Corp.	8.00
85	First Bank System Inc.	7.60
86	Bank of New York Co. Inc.	7.58
87	Marine Midland Banks Inc.	7.54
88	Hibernia Corp.	7.50[3]
89	First Interstate Bancorp.	7.32
90	Continental Bank Corp.	6.80
91	City National Corp.	6.75
92	Bank of New England Corp.	3.45[1]
--	Bank of Boston Corp.	N.A.
--	First Alabama Bancshares Inc.	N.A.
--	European American Bancorp	N.A.
--	Fifth Third Bancorp	N.A.
--	Valley National Corp.	N.A.
--	Equitable Bancorporation	merged
--	Florida National Banks Inc.	merged
--	Trustcorp. Inc.	merged

([1])— Based on 1990 transitional rules. ([2])— Capital levels were reported using the 1990 transitional rules. Ratios are based on 1992 guidelines. ([3])— Estimated. ([4])— Data provided by **SNL Securities**, Charlottesville, Va. ([5])— SNL Securities data as of 9/30/89. ([6])— Pro forma. Includes acquisition of Florida National Banks.

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EQUITY CAPITAL

Top 100 U.S. Banks in Equity Capital

Based on December 31, 1989 Equity Capital, Compared with December 31, 1988 and June 30, 1989

Rank 12/89		EQUITY CAPITAL Total 12/31/89	Total 12/31/88	% Chg.	Rank 12/88	Total 6/30/89	Rank 6/89	Total Assets 12/31/89	Equity Capital/Assets (%) 12/89	12/88	6/89	Deposit Rank 6/89
1	Citibank NA, New York	7,628,000,000	8,168,000,000	-6.61	1	8,178,000,000	1	161,988,000,000	4.71	5.44	5.35	1
2	Bank of America NT&SA, San Francisco	4,414,000,000	3,611,000,000	22.24	4	4,121,000,000	3	86,712,000,000	5.09	4.36	4.75	2
3	Chase Manhattan Bank NA, New York	3,770,846,000	4,372,933,000	- 13.77	2	4,493,266,000	2	83,807,666,000	4.50	5.64	5.48	3
4	Morgan Guaranty Trust Co., New York	2,988,829,000	4,020,073,000	- 25.65	3	4,115,892,000	4	64,707,226,000	4.62	5.64	5.37	4
5	Wells Fargo Bank NA, San Francisco	2,947,135,000	2,576,537,000	14.38	6	2,756,113,000	6	45,555,858,000	6.47	5.89	6.11	8
6	Security Pacific National Bank, Los Angeles	2,653,816,000	2,216,631,000	19.72	9	2,424,637,000	9	54,313,683,000	4.89	4.53	4.33	6
7	Manufacturers Hanover Trust Co., New York	2,524,000,000	2,560,000,000	-1.41	7	2,679,000,000	7	54,740,000,000	4.61	4.72	4.69	5
8	Chemical Bank, New York	2,127,000,000	2,488,000,000	- 14.51	8	2,632,000,000	8	45,512,000,000	4.67	4.88	5.43	7
9	Bank of New York	2,109,304,000	1,204,914,000	75.06	14	1,255,302,000	14	46,361,809,000	4.55	5.33	5.04	12
10	Continental Bank NA, Chicago	1,779,411,000	1,727,145,000	3.03	10	1,859,554,000	10	29,358,018,000	6.06	5.65	5.86	13
11	Republic National Bank, New York	1,533,631,000	1,631,123,000	-5.98	11	1,637,096,000	11	21,030,950,000	7.29	8.09	7.56	19
12	NCNB Texas National Bank, Dallas	1,505,597,000	1,070,177,000	40.69	15	1,191,332,000	15	33,748,419,000	4.46	4.18	4.26	11
13	Bankers Trust Co., New York	1,503,190,000	2,889,133,000	- 47.97	5	2,936,397,000	5	51,113,127,000	2.94	5.22	5.00	9
14	First National Bank, Chicago	1,482,343,000	1,302,240,000	13.83	12	1,475,469,000	12	36,410,165,000	4.07	3.70	3.91	10
15	First National Bank, Boston	1,246,060,000	1,299,784,000	-4.13	13	1,376,152,000	13	30,000,100,000	4.15	4.96	5.21	14
16	First Interstate Bank of California, Los Angeles	1,037,785,000	865,420,000	19.92	20	966,678,000	19	21,228,507,000	4.89	4.22	4.79	16
17	Wachovia Bank & Trust Co. NA, Winston-Salem, N.C.	1,037,665,000	918,281,000	13.00	18	981,617,000	18	15,143,871,000	6.85	6.76	6.72	22
18	NCNB National Bank of North Carolina, Charlotte	990,818,000	914,710,000	8.32	19	959,719,000	20	20,443,391,000	4.85	5.46	5.56	24
19	Boston Safe Deposit & Trust Co.	979,532,000	1,014,040,000	-3.40	16	1,036,942,000	16	10,771,670,000	9.09	5.79	7.81	26
20	First Union National Bank, Charlotte, N.C.	957,590,000	818,264,000	17.03	24	884,151,000	24	16,767,084,000	5.71	5.43	5.33	31
21	Mellon Bank NA, Pittsburgh	942,497,000	609,809,000	54.56	37	675,611,000	34	22,697,193,000	4.15	2.75	2.91	17
22	Union Bank, San Francisco	928,989,000	819,773,000	13.32	23	876,608,000	25	15,375,629,000	6.04	5.46	5.79	23
23	National Bank of Detroit	915,650,000	849,081,000	7.84	22	897,187,000	23	17,014,841,000	5.38	5.49	5.55	20
24	Sovran Bank NA, Richmond	852,921,000	755,691,000	12.87	26	797,356,000	26	13,815,734,000	6.17	6.09	6.08	27
25	Seattle-First National Bank	838,280,000	633,290,000	32.37	34	715,012,000	31	12,332,648,000	6.80	5.85	6.45	34
26	Citibank (South Dakota) NA, Sioux Falls	816,542,000	800,595,000	1.99	25	950,226,000	21	11,142,112,000	7.33	5.91	8.37	146
27	Marine Midland Bank NA, Buffalo, N.Y.	813,983,000	860,449,000	-5.40	21	920,936,000	22	21,546,713,000	3.78	4.10	4.32	15
28	Citizens & Southern National Bank, Atlanta	813,910,000	737,460,000	10.37	27	782,186,000	27	12,441,682,000	6.54	6.43	6.25	32
29	Citibank (Delaware), New Castle	794,555,000	720,253,000	10.32	29	756,585,000	29	2,051,967,000	38.72	49.33	49.49	...
30	Southeast Bank NA, Miami	782,342,000	587,866,000	33.08	40	634,607,000	38	15,966,390,000	4.90	4.27	4.37	25
31	Pittsburgh National Bank	716,782,000	690,602,000	3.79	31	737,679,000	30	17,151,513,000	4.18	4.11	4.71	29
32	United States National Bank, Portland, Ore.	715,237,000	619,041,000	15.54	36	667,972,000	35	10,263,310,000	6.97	7.26	7.31	48
33	Connecticut National Bank, Hartford	700,966,000	672,820,000	4.18	32	704,533,000	32	12,471,078,000	5.62	5.52	5.78	41
34	Chase Manhattan Bank (USA) NA, Wilmington, Del.	691,163,000	521,414,000	32.56	51	608,676,000	40	9,387,758,000	7.36	7.65	8.89	120
35	Midlantic National Bank, Newark, N.J.	673,944,000	366,647,000	83.81	77	393,005,000	81	9,818,182,000	6.86	6.42	6.12	85
36	NCNB National Bank of Florida, Tampa	658,970,000	591,395,000	11.43	39	595,154,000	42	11,876,828,000	5.55	6.13	5.34	36
37	Michigan National Bank, Farmington Hills	657,160,000	556,886,000	18.01	43	565,847,000	48	9,853,367,000	6.67	5.99	5.90	40
38	Philadelphia National Bank	649,363,000	573,219,000	13.28	42	604,257,000	41	10,038,832,000	6.47	5.51	6.05	43
39	Shawmut Bank NA, Boston	642,667,000	533,725,000	20.41	47	584,072,000	45	9,270,551,000	6.93	6.02	6.48	72
40	State Street Bank & Trust Co., Boston	620,563,000	538,531,000	15.23	46	575,798,000	46	10,101,462,000	6.14	6.30	6.83	78
41	Texas Commerce Bank NA, Houston	618,271,000	631,240,000	-2.05	35	655,231,000	37	11,625,807,000	5.32	5.42	5.87	52
42	First Union National Bank of Florida, Jacksonville	613,000,000	659,340,000	-7.03	33	692,047,000	33	9,180,518,000	6.68	7.21	7.73	44
43	First Fidelity Bank NA, Newark, N.J.	596,962,000	595,246,000	0.29	38	613,119,000	39	12,342,949,000	4.84	5.33	5.46	38
44	Ameritrust Co. NA, Cleveland	595,416,000	531,740,000	11.98	48	594,750,000	43	8,923,360,000	6.67	6.31	7.04	50
45	Crestar Bank, Richmond	591,857,000	497,565,000	18.95	54	551,530,000	51	10,190,113,000	5.81	5.31	5.56	39
46	Fleet National Bank, Providence, R.I.	591,314,000	488,901,000	20.95	55	493,595,000	61	9,701,134,000	6.10	6.15	6.75	60
47	Meridian Bank, Reading, Pa.	580,514,000	510,000,000	13.83	53	521,957,000	55	10,100,927,000	5.75	6.45	6.40	53
48	First National Bank, Atlanta	566,102,000	511,198,000	10.74	52	534,760,000	54	8,493,590,000	6.67	6.43	6.55	58
49	AmSouth Bank NA, Birmingham, Ala.	561,759,000	530,480,000	5.90	49	554,963,000	50	7,557,555,000	7.43	7.23	7.75	63
50	Boatmen's National Bank, St. Louis	548,282,000	293,019,000	87.11	101	537,434,000	53	7,808,409,000	7.02	6.76	6.68	67
51	Harris Trust & Savings Bank, Chicago	542,582,000	545,746,000	-0.58	44	561,542,000	49	9,969,430,000	5.44	5.93	5.68	47
52	Maryland National Bank, Baltimore	537,130,000	487,397,000	10.20	56	520,550,000	56	9,487,848,000	5.66	5.40	5.61	46
53	Huntington National Bank, Columbus, Ohio	536,045,000	466,402,000	14.93	58	499,635,000	58	8,899,567,000	6.02	6.06	5.72	51
54	Trust Company Bank, Atlanta	527,250,000	463,351,000	13.79	59	494,603,000	60	6,312,806,000	8.35	7.77	8.68	106
55	First Bank NA, Minneapolis	517,158,000	690,719,000	- 25.13	30	665,021,000	36	12,702,725,000	4.07	4.61	4.81	30
56	Sanwa Bank California, San Francisco	516,002,000	379,371,000	36.02	71	433,891,000	69	6,918,322,000	7.46	5.90	6.47	66
57	Manufacturers National Bank, Detroit	511,226,000	438,329,000	16.63	63	472,652,000	64	8,678,071,000	5.89	5.61	5.36	45
58	Morgan Bank (Delaware), Wilmington	510,357,000	323,925,000	57.55	88	499,138,000	59	4,900,310,000	10.41	10.03	10.27	189
59	Provident National Bank, Philadelphia	510,078,000	451,020,000	13.09	61	487,444,000	62	8,322,387,000	6.13	5.65	6.49	64
60	National Westminster Bank USA, New York	496,547,000	530,175,000	-6.34	50	591,661,000	44	14,531,012,000	3.42	3.99	4.23	21
61	National City Bank, Cleveland	477,793,000	428,138,000	11.60	65	461,030,000	65	8,209,006,000	5.82	5.62	5.94	62
62	Comerica Bank-Detroit	473,431,000	447,888,000	5.70	62	453,689,000	66	10,097,839,000	4.69	5.10	4.99	42
63	Citibank (Nevada) NA, Las Vegas (s)	468,790,000	293,497,000	59.73	100	367,199,000	88	7,044,688,000	6.65	5.06	5.91	...
64	Security Pacific Bank Washington, Seattle	467,854,000	457,752,000	2.21	60	477,754,000	63	8,073,701,000	5.79	6.44	6.42	57
65	First Alabama Bank, Montgomery	463,466,000	434,722,000	6.61	64	448,438,000	67	5,398,038,000	8.59	8.50	8.72	89
66	Society National Bank, Cleveland	456,374,000	356,839,000	27.89	81	356,188,000	89	8,130,642,000	5.61	5.86	5.91	76
67	Greenwood Trust Co., New Castle, Del.	456,205,000	359,073,000	27.05	80	421,795,000	73	7,050,646,000	6.47	5.55	8.07	100
68	Signet Bank/Virginia, Richmond	456,196,000	369,844,000	23.35	76	425,837,000	72	8,934,256,000	5.11	4.94	5.25	69
69	European American Bank, New York	450,563,000	389,227,000	15.76	70	432,102,000	70	5,293,279,000	8.51	7.30	7.93	82
70	Bank of Hawaii, Honolulu	446,180,000	373,190,000	19.56	74	400,222,000	78	8,016,497,000	5.57	5.86	5.89	56
71	Citibank (New York State), Perinton	445,517,000	419,088,000	6.31	66	440,491,000	68	5,719,941,000	7.79	7.67	8.16	102
72	Northern Trust Co., Chicago	442,693,000	365,471,000	21.13	79	398,483,000	79	8,634,500,000	5.13	4.53	4.48	71
73	Valley National Bank, Phoenix	436,916,000	542,170,000	- 19.41	45	519,572,000	57	9,391,928,000	4.65	5.32	5.26	35
74	American Express Centurion Bank, Newark, Del.	436,336,000	371,320,000	17.51	75	401,452,000	77	8,754,152,000	4.98	4.64	4.77	152
75	Norwest Bank Minnesota NA, Minneapolis	424,838,000	406,030,000	4.63	68	372,909,000	85	8,512,834,000	4.99	4.79	4.25	65
76	Bank of California NA, San Francisco	418,623,000	332,004,000	26.09	86	398,325,000	80	7,897,834,000	5.30	4.79	5.69	83
77	Chase Lincoln First Bank NA, Rochester, N.Y.	401,182,000	393,571,000	1.93	69	403,174,000	76	6,444,770,000	6.22	6.26	6.41	93
78	Bank of Tokyo Trust Co., New York	400,362,000	375,513,000	6.62	72	404,185,000	75	8,239,421,000	4.86	5.41	4.98	61
79	First Interstate Bank of Oregon NA, Portland	397,190,000	337,958,000	17.53	84	368,924,000	87	6,333,899,000	6.27	5.79	6.00	75
80	First Florida Bank NA, Tampa	395,286,000	375,001,000	5.41	73	391,901,000	83	5,570,790,000	7.10	7.35	7.47	90
81	South Carolina National Bank, Columbia	391,705,000	322,217,000	21.57	90	372,633,000	86	6,074,409,000	6.45	5.88	6.55	88
82	Fidelity Bank NA, Philadelphia	388,416,000	354,098,000	9.69	82	389,447,000	84	9,475,294,000	4.10	3.46	4.21	49
83	Banco Popular de Puerto Rico, San Juan	375,807,000	334,867,000	12.23	85	353,362,000	90	5,923,309,000	6.34	5.91	6.00	77
84	Citizens & Southern National Bank, Fort Lauderdale, Fla.	375,800,000	366,177,000	2.63	78	392,602,000	82	6,209,090,000	6.05	6.91	6.34	68
85	First National Bank of Maryland, Baltimore	370,492,000	313,426,000	18.21	95	339,463,000	92	6,367,057,000	5.82	5.52	5.66	84
86	First City, Texas-Houston NA	368,634,000	315,577,000	16.81	92	329,229,000	98	7,622,619,000	4.84	5.01	4.85	81
87	Florida National Bank, Jacksonville	358,736,000	479,445,000	- 25.18	57	430,396,000	71	7,830,325,000	4.58	6.18	5.77	54
88	Hibernia National Bank, New Orleans	353,604,000	314,732,000	12.35	94	337,202,000	93	6,525,987,000	5.42	5.44	5.50	70
89	First Tennessee Bank NA, Memphis	349,607,000	346,996,000	0.75	83	336,209,000	94	6,142,997,000	5.69	6.05	5.50	80
90	Citizens Fidelity Bank & Trust Co., Louisville, Ky.	344,933,000	303,269,000	13.74	98	323,393,000	99	5,659,249,000	6.10	5.91	6.04	136
91	BancOhio National Bank, Columbus	339,058,000	319,652,000	6.07	91	334,215,000	95	5,910,659,000	5.74	6.23	6.47	94
92	American Security Bank NA, Washington, D.C.	337,174,000	311,488,000	8.25	96	329,843,000	97	5,915,463,000	5.70	5.79	6.12	92
93	IBJ Schroder Bank & Trust Co., New York	333,419,000	326,823,000	2.02	87	331,544,000	96	3,074,761,000	10.84	9.54	8.43	237
94	Norstar Bank of Upstate NY, Albany	326,566,000	323,583,000	0.92	89	317,898,000	100	4,542,627,000	7.19	7.22	7.58	101
95	INB National Bank, Indianapolis	320,333,000	280,761,000	14.09	102	293,695,000	104	4,960,730,000	6.46	5.71	6.08	108
96	Industrial Bank of Japan Trust Co., New York	318,251,000	232,301,000	37.00	129	245,326,000	133	5,575,039,000	5.71	4.89	5.10	122
97	Barnett Bank of South Florida NA, Miami	317,102,738	303,235,000	4.57	99	317,361,000	101	6,108,748,066	5.19	5.42	5.56	73
98	UJB/Hackensack, N.J.	311,337,000	253,978,000	22.58	116	294,719,000	103	5,277,948,000	5.90	5.86	6.32	107
99	Bank One Indianapolis NA	308,814,000	265,216,000	16.44	111	291,864,000	106	4,123,294,000	7.49	6.50	6.80	130
100	Central Fidelity Bank, Richmond	302,564,000	272,939,000	10.85	105	286,333,000	108	5,433,351,000	5.57	5.65	5.93	95

Data Sources: American Banker questionnaire and Federal regulatory report of condition for Dec. 31 1989.
Equity capital is the sum of perpetual preferred stock, common stock, surplus, and undivided profits and capital reserves. For large banks equity capital also includes the cumulative foreign currency translation adjustments.

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EQUITY CAPITAL

The Top 200 Banks in Equity Capital

Listed in order of their equity capital-to-assets ratio on December 31, 1989

Rank 12/31/89		Capital-to-Assets Ratio 12/31/89	12/31/88	Rank 12/31/88	Equity Rank
1	Citibank (Delaware), New Castle	38.72	49.33	1	29
2	Canadian Imperial Bank of Commerce (New York)	26.66	20.47	3	192
3	Chemical Bank (Delaware), Wilmington	19.93	20.99	2	102
4	Farmers & Merchants Bank, Long Beach, Calif.	16.15	15.49	5	165
5	Household Bank NA, Salinas, Calif.	16.11	14.52	6	105
6	First National Bank, Anchorage, Alas.	15.77	16.22	4	188
7	Manufacturers Hanover Bank (Delaware), Wilmington	12.74	10.85	9	135
8	Davenport Bank & Trust Co., Iowa	12.39	10.81	10	161
9	Bankers Trust (Delaware), Wilmington	11.53	10.68	11	112
10	First USA Bank, Wilmington, Del.	10.85	10.11	13	199
11	IBJ Schroder Bank & Trust Co., New York	10.84	9.54	17	93
12	Morgan Bank (Delaware), Wilmington	10.41	10.03	14	58
13	Citizens Bank of Maryland, Laurel	9.72	10.65	12	162
14	Citibank (Maryland) NA, Towson	9.49	12.81	7	158
15	First National Bank, Akron, Ohio	9.28	9.19	18	173
16	Boston Safe Deposit & Trust Co.	9.09	5.79	124	19
17	National Bank of Alaska, Anchorage	8.74	9.71	16	174
18	First Alabama Bank, Montgomery	8.59	8.50	19	65
19	Dauphin Deposit Bank & Trust Co., Harrisburg, Pa.	8.56	7.47	30	163
20	European American Bank, New York	8.51	7.30	33	69
21	Trust Company Bank, Atlanta	8.35	7.77	25	54
22	Marine Midland Bank (Delaware) NA, Wilmington	8.25	7.77	24	175
23	Citibank (Arizona), Phoenix	8.11	11.03	8	145
24	Sun Bank/South Florida NA, Fort Lauderdale	7.83	7.47	31	191
25	Citibank (New York State), Perinton	7.79	7.67	26	71
26	Hamilton Bank, Lancaster, Pa.	7.56	7.80	23	160
27	Bank One Indianapolis NA	7.49	6.50	62	99
28	Third National Bank, Nashville, Tenn.	7.48	6.79	49	168
29	Sanwa Bank California, San Francisco	7.46	5.90	113	56
30	Boatmen's First National Bank, Kansas City, Mo.	7.45	7.84	22	147
31	AmSouth Bank NA, Birmingham, Ala.	7.43	7.23	35	49
32	Star Bank NA, Cincinnati	7.43	7.09	40	143
33	Chase Manhattan Bank (USA) NA, Wilmington, Del.	7.36	7.65	28	34
34	Bank of New York (Delaware), Wilmington	7.33	6.71	53	109
35	Citibank (South Dakota) NA, Sioux Falls	7.33	5.91	110	26
36	Bank One Milwaukee NA	7.30	6.14	89	172
37	United States Trust Co., New York	7.30	5.69	128	184
38	Republic National Bank, New York	7.29	8.09	21	11
39	Daiwa Bank Trust Co., New York	7.25	8.42	20	179
40	Norstar Bank of Upstate NY, Albany	7.19	7.22	37	94
41	Trustmark National Bank, Jackson, Miss.	7.18	7.07	41	149
42	Deposit Guaranty National Bank, Jackson, Miss.	7.14	6.95	43	124
43	First Florida Bank NA, Tampa	7.10	7.35	32	80
44	New Jersey National Bank, Pennington	7.10	6.66	56	186
45	Sovran Bank/Central South, Nashville, Tenn.	7.10	7.05	42	108
46	Whitney National Bank, New Orleans	7.10	10.02	15	170
47	Fifth Third Bank, Cincinnati	7.08	6.69	54	107
48	Boatmen's National Bank, St. Louis	7.02	6.76	50	50
49	United States National Bank, Portland, Ore.	6.97	7.26	34	32
50	Wilmington Trust Co., Del.	6.96	7.65	29	126
51	Bank One Dayton NA, Ohio	6.93	6.65	57	193
52	Shawmut Bank NA, Boston	6.93	6.02	102	39
53	Norstar Bank NA, Buffalo, N.Y.	6.88	6.59	59	120
54	Union Trust Co., Stamford, Conn.	6.88	7.23	36	139
55	Midlantic National Bank, Newark, N.J.	6.86	6.42	73	35
56	Wachovia Bank & Trust Co. NA, Winston-Salem, N.C.	6.85	6.76	51	17
57	Liberty National Bank & Trust Co., Louisville, Ky.	6.83	6.75	52	185
58	Seattle-First National Bank	6.80	5.85	121	25
59	Rhode Island Hospital Trust National Bank, Providence	6.74	6.09	94	166
60	Midlantic National Bank/North, West Paterson, N.J.	6.70	6.90	45	130
61	First Union National Bank of Florida, Jacksonville	6.68	7.21	38	42
62	Ameritrust Co. NA, Cleveland	6.67	6.31	76	44
63	First National Bank, Atlanta	6.67	6.43	71	48
64	Michigan National Bank, Farmington Hills	6.67	5.99	106	37
65	Citibank (Nevada) NA, Las Vegas (s)	6.65	5.06	171	63
66	First Interstate Bank of Nevada NA, Reno	6.65	6.48	63	127
67	M & I Marshall & Ilsley Bank, Milwaukee	6.65	6.46	66	181
68	Key Bank of Central New York NA, Syracuse	6.57	6.36	74	195
69	Citizens & Southern National Bank, Atlanta	6.54	6.43	70	28
70	First Interstate Bank of Washington NA, Seattle	6.54	6.45	67	140
71	First Wisconsin National Bank, Milwaukee	6.49	6.42	72	141
72	Old Kent Bank & Trust Co., Grand Rapids, Mich.	6.49	6.00	104	157
73	Central Bank of the South, Birmingham, Ala.	6.47	6.54	60	115
74	First Fidelity Bank NA/North Jersey, Totowa, N.J.	6.47	7.15	39	187
75	Greenwood Trust Co., New Castle, Del.	6.47	5.55	141	67
76	Philadelphia National Bank	6.47	5.51	145	38
77	Wells Fargo Bank NA, San Francisco	6.47	5.89	114	5
78	INB National Bank, Indianapolis	6.46	5.71	127	95
79	South Carolina National Bank, Columbia	6.45	5.88	115	81
80	First of America Bank-Southeast Michigan NA, Detroit	6.41	6.48	64	189
81	Security Pacific Bank Arizona, Phoenix	6.38	5.04	172	119
82	Puget Sound National Bank, Tacoma, Wash.	6.36	6.52	61	190
83	Banco Popular de Puerto Rico, San Juan	6.34	5.91	109	83
84	SouthTrust Bank of Alabama NA, Birmingham	6.34	6.60	58	150
85	First American Bank of Virginia, McLean	6.32	6.08	96	134
86	Citizens & Southern National Bank, Charleston, S.C.	6.31	5.68	129	131
87	Sun Bank NA, Orlando, Fla.	6.31	6.34	75	117
88	Continental Bank, Norristown, Pa.	6.30	6.10	93	113
89	First Interstate Bank of Oregon NA, Portland	6.27	5.79	125	79
90	Branch Banking & Trust Co., Wilson, N.C.	6.23	6.18	85	111
91	Chase Lincoln First Bank NA, Rochester, N.Y.	6.22	6.26	78	77
92	First National Bank, Louisville, Ky.	6.22	5.93	107	121
93	Norstar Bank, Melville, N.Y.	6.22	6.13	92	197
94	Bank of Baltimore	6.21	5.99	105	159
95	First Security Bank of Utah NA, Salt Lake City	6.20	6.48	65	155
96	Chemical Bank New Jersey NA, Morristown	6.19	6.03	100	106
97	First-Citizens Bank & Trust Co., Raleigh, N.C.	6.18	6.23	81	146
98	Northeastern Bank of Pennsylvania, Wilkes-Barre	6.17	6.05	99	194
99	Sovran Bank NA, Richmond	6.17	6.09	95	24
100	State Street Bank & Trust Co., Boston	6.14	6.30	77	40

Table described: American Banker has ranked the 200 largest commercial banks in equity capital; calculated their equity capital-to-assets ratio on Dec. 31, 1989; and listed these 200 banks in order of this ratio. **Capital-to-Assets Ratio:** is the equity capital-to-assets ratio on Dec. 31, 1989, and Dec. 31, 1988. **Rank 12/31/88**: is the bank's ratio rank for 1988. **Equity rank:** The bank's equity capital ranking for 1989.

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EQUITY CAPITAL

The Top 200 Banks in Equity Capital

Listed in order of their equity capital-to-assets ratio on December 31, 1989

Rank 12/31/89		Capital-to-Assets Ratio 12/31/89	12/31/88	Rank 12/31/88	Equity Rank
101	Provident National Bank, Philadelphia	6.13	5.65	132	59
102	West One Bank Idaho, NA, Boise	6.13	6.90	46	167
103	United Bank of Denver NA	6.11	6.23	82	183
104	Citizens Fidelity Bank & Trust Co., Louisville, Ky.	6.10	5.91	111	90
105	Equibank, Pittsburgh	6.10	6.24	79	177
106	Fleet National Bank, Providence, R.I.	6.10	6.15	88	46
107	Barclays Bank of New York NA	6.07	5.86	117	164
108	Continental Bank NA, Chicago	6.06	5.65	131	10
109	Citizens & Southern National Bank, Fort Lauderdale, Fla	6.05	6.91	44	84
110	Union Bank, San Francisco	6.04	5.46	148	22
111	Huntington National Bank, Columbus, Ohio	6.02	6.06	97	53
112	Fuji Bank & Trust Co., New York	5.94	5.17	169	129
113	Citizens First National Bank, Ridgewood, N.J.	5.93	5.86	118	178
114	First National Bank of Commerce, New Orleans	5.90	6.14	90	182
115	UJB/Hackensack, N.J.	5.90	5.86	120	98
116	Bank South NA, Atlanta	5.89	5.56	140	138
117	Manufacturers National Bank, Detroit	5.89	5.61	138	57
118	Sovran Bank/Maryland, Bethesda, Md.	5.89	5.58	139	133
119	U.S. Bank of Washington NA, Seattle	5.87	6.21	84	101
120	First National Bank of Maryland, Baltimore	5.82	5.52	143	85
121	National City Bank, Cleveland	5.82	5.62	136	61
122	NCNB South Carolina, Columbia	5.82	6.82	48	104
123	Crestar Bank, Richmond	5.81	5.31	163	45
124	National Westminster Bank NJ, Jersey City, N.J.	5.81	5.45	149	103
125	Security Pacific Bank Washington, Seattle	5.79	6.44	69	64
126	City National Bank, Beverly Hills	5.76	5.30	164	118
127	First Hawaiian Bank, Honolulu	5.76	6.01	103	114
128	Mercantile Bank NA, Clayton, Mo.	5.76	6.88	47	132
129	Meridian Bank, Reading, Pa.	5.75	6.45	68	47
130	BancOhio National Bank, Columbus	5.74	6.23	80	91
131	Bank One Columbus NA, Ohio	5.73	5.61	137	136
132	First Union National Bank, Charlotte, N.C.	5.71	5.43	152	20
133	Industrial Bank of Japan Trust Co., New York	5.71	4.89	179	96
134	American Security Bank NA, Washington, D.C.	5.70	5.79	123	92
135	Signet Bank/Maryland, Baltimore	5.70	5.63	135	153
136	First Tennessee Bank NA, Memphis	5.69	6.05	98	89
137	Equitable Bank NA, Baltimore	5.67	5.81	122	116
138	Maryland National Bank, Baltimore	5.66	5.40	156	52
139	Connecticut National Bank, Hartford	5.62	5.52	142	33
140	Valley Bank of Nevada, Las Vegas	5.62	6.18	87	200
141	Society National Bank, Cleveland	5.61	5.86	119	66
142	Imperial Bank, Los Angeles	5.60	6.03	101	198
143	National Community Bank, Rutherford, N.J.	5.60	5.36	158	148
144	Bank of Hawaii, Honolulu	5.57	5.86	116	70
145	Central Fidelity Bank, Richmond	5.57	5.65	130	100
146	Dominion Bank NA, Roanoke, Va.	5.57	5.26	167	125
147	NCNB National Bank of Florida, Tampa	5.55	6.13	91	36
148	BayBank Middlesex, Burlington, Mass.	5.49	5.29	165	152
149	Harris Trust & Savings Bank, Chicago	5.44	5.93	108	51
150	Hibernia National Bank, New Orleans	5.42	5.44	151	88
151	FCC National Bank, Wilmington, Del.	5.41	7.67	27	122
152	Manufacturers & Traders Trust Co., Buffalo, N.Y.	5.41	5.28	166	151
153	American National Bank & Trust Co., Chicago	5.40	4.96	174	137
154	National Bank of Detroit	5.38	5.49	146	23
155	Merchants National Bank & Trust Co., Indianapolis	5.37	5.39	157	169
156	Israel Discount Bank, New York	5.35	5.35	159	128
157	Texas Commerce Bank NA, Houston	5.32	5.42	154	41
158	Bank of California NA, San Francisco	5.30	4.79	181	76
159	Central Trust Co. NA, Cincinnati	5.29	5.71	126	156
160	Sumitomo Bank of California, San Francisco	5.29	4.95	177	144
161	First Union National Bank, Atlanta	5.23	5.51	144	142
162	Barnett Bank of South Florida NA, Miami	5.19	5.42	153	97
163	Northern Trust Co., Chicago	5.13	4.53	187	72
164	Signet Bank/Virginia, Richmond	5.11	4.94	178	68
165	Bank of America NT&SA, San Francisco	5.09	4.36	190	3
166	Norwest Bank Minnesota NA, Minneapolis	4.99	4.79	182	75
167	American Express Centurion Bank, Newark, Del.	4.98	4.64	185	74
168	Southeast Bank NA, Miami	4.90	4.27	191	30
169	First Interstate Bank of California, Los Angeles	4.89	4.22	192	16
170	Security Pacific National Bank, Los Angeles	4.89	4.53	188	6
171	Bank of Tokyo Trust Co., New York	4.86	5.41	155	78
172	NCNB National Bank of North Carolina, Charlotte	4.85	5.46	147	18
173	First City, Texas-Houston NA	4.84	5.01	173	86
174	First Fidelity Bank NA, Newark, N.J.	4.84	5.33	161	43
175	Citibank NA, New York	4.71	5.44	150	1
176	Comerica Bank-Detroit	4.69	5.10	170	62
177	Chemical Bank, New York	4.67	4.88	180	8
178	Valley National Bank, Phoenix	4.65	5.32	162	73
179	Morgan Guaranty Trust Co., New York	4.62	5.64	134	4
180	Manufacturers Hanover Trust Co., New York	4.61	4.72	183	7
181	Florida National Bank, Jacksonville	4.58	6.18	86	87
182	Bank of New York	4.55	5.33	160	9
183	Chase Manhattan Bank NA, New York	4.50	5.64	133	3
184	NCNB Texas National Bank, Dallas	4.46	4.18	193	12
185	Premier Bank NA, Baton Rouge, La.	4.36	6.67	55	176
186	Pittsburgh National Bank	4.18	4.11	195	31
187	Riggs National Bank, Washington, D.C.	4.17	4.13	194	110
188	First National Bank, Boston	4.15	4.96	175	15
189	Mellon Bank NA, Pittsburgh	4.15	2.75	200	21
190	Fidelity Bank NA, Philadelphia	4.10	3.46	199	82
191	First Bank NA, Minneapolis	4.07	4.61	186	55
192	First National Bank, Chicago	4.07	3.70	198	14
193	First Interstate Bank of Arizona NA, Phoenix	3.96	6.22	83	123
194	Mellon Bank (East) NA, Philadelphia	3.84	4.46	189	180
195	Marine Midland Bank NA, Buffalo, N.Y.	3.78	4.10	196	27
196	National Westminster Bank USA, New York	3.42	3.99	197	60
197	Bankers Trust Co., New York	2.94	5.22	168	13
198	First Pennsylvania Bank NA, Philadelphia	2.50	4.95	176	196
199	Connecticut Bank & Trust Co. NA, Hartford	1.94	5.90	112	171
200	Bank of New England NA, Boston	1.48	4.65	184	154

Table described: American Banker has ranked the 200 largest commercial banks in equity capital; calculated their equity capital-to-assets ratio on Dec. 31, 1989; and listed these 200 banks in order of this ratio. **Capital-to-Assets Ratio:** is the equity capital-to-assets ratio on Dec. 31, 1989, and Dec. 31, 1988. **Rank 12/31/88**: is the bank's ratio rank for 1988. **Equity rank:** The bank's equity capital ranking for 1989.

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SEC Regulation On Debt Trading Hailed by Banks

By WILLIAM GOODWIN

Officials at the American Bankers Association were breathing a little easier Friday after learning that a new SEC restriction on private placement activity apparently is not as onerous as they first believed.

ABA officials left an Securities and Exchange Commission meeting Thursday thinking that the SEC had just imposed a blanket prohibition against commercial banks trading private-placement securities for their fiduciary accounts.

Under the SEC's just-adopted rule 144A, banks would be able to trade private-placement securities only for their own account, the ABA concluded at Thursday's meeting. That impression was based on oral comments made at the meeting.

ANALYSIS: *Follow-up on the news*

But an SEC staffer told ABA officials Friday that the restriction is not as bad as it sounded.

Banks would be barred from trading on behalf of their personal trust accounts, but not for qualified pension fund and charity accounts. ABA officials said they were told.

ABA Encouraged

While still awaiting official word about the extent of the restriction, ABA officials were heartened by the staffer's comments.

"It definitely would ease our concerns somewhat," if the staffers report is correct, said James McLaughlin, director of agency relations at the ABA.

The SEC originally said it hoped to release the rule in written form on Friday, but later said the rule would not be publicly released until today.

Meanwhile, the top SEC staffers working on the rule could not be reached Friday for a definitive clarification.

Despite Friday's confusion, bankers and their lobbyists applauded adoption of 144A.

Wider Trading Opportunities

In general, the new rule will free up trading in the private-placement market by allowing the purchase and immediate resale of unregistered securities to qualified institutional investors – those who own at least $100 million of securities.

Commercial bankers expect the issuance of new private placements to move ahead even faster than the already blistering pace of recent years. Last year, banks and investment bankers helped corporations raise more

See **SEC** *page* **18**

INSIDE NEWS

INTERNATIONAL

BRAZIL'S WILLINGNESS to open debt-reduction talks is increasing the chances that this year banks may recover some of the money owed to them. *Page 12*

TECHNOLOGY

MELLON BANK CORP. plans to ratchet up its technology offerings in the potentially lucrative field of outsourcing. *Page 3*

CONSUMER

EARTH DAY EVENTS were staged without bank sponsorship, by and large, partly because organizers deemed the institutions unsuitable donors. *Page 6*

WASHINGTON

THE BRAIN DRAIN that has shifted experienced employees to the Resolution Trust Corp. from the FDIC may weaken the regulatory agency's ability to monitor commercial banks. *Page 8*

CAPITOL HILL

ALAN GREENSPAN said the Fed remains concerned that "recessionary factors" could undermine large leveraged-buyout loan portfolios held by some U.S. banks. *Page 5*

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FIRST CHICAGO CORP. denied giving analysts detailed data on its problem loans before releasing first-quarter earnings. *Page 2*

COMMENT

BANKERS MUST UPDATE their image to reflect the true nature of the industry, writes Paul Nadler. *Page 4*

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Citicorp Securities on the Moody's Watchlist

Outstanding issues under review for possible downgrading*

	Current rating
Citicorp ($27 billion)	
Senior debt	A1
Subordinated debt	A2
Preferred stock	"a2"
Commercial paper	Prime-1
Subsidiary banks ($4 billion)	
Long-term deposits	Aa2
Issues backed by letters of credit	Aa2
Citicorp Overseas Finance Corp. ($1.7 billion)	
Four issues	A1
Subordinated floating-rate Euronotes	A2
Citicorp Guaranteed Residential Mort. Pass-Through ($4.4 Million)	
Forty-nine issues	Aa3
Citicorp Banking Corp. ($0.3 billion)	
Subordinated floating-rate Euronotes	A2

*Not all Citicorp issues included — Source: Moody's Investors Service

Review of Citicorp Debt Signals Moody's Focus on Money-Centers

By KELLEY HOLLAND

NEW YORK — The decision of Moody's Investors Service to place Citicorp's debt securities under review signals a change in focus for the increasingly aggressive rating agency.

Since the beginning of the year, Moody's has downgraded 43 banks and thrifts, but all the banks involved were regionals. Now money-centers may find themselves under the same tough scrutiny.

"We started out by looking at the banks with rapidly deteriorating asset quality, where nonperformers were rising very rapidly," said Christopher T. Mahoney, associate director at Moody's.

"Now we're taking a look at institutions that have large exposures where the deterioration hasn't really started yet." He said that this would mean a shift in emphasis for money-center banks.

In its statement Thursday, Moody's highlighted Citicorp's exposure to lesser-developed

See **MOODY'S** *back page*

Bank Stocks Off Sharply As Worries Proliferate

By GORDON MATTHEWS

NEW YORK — Major bank stocks were hammered hard on Friday as new worries about rising interest rates were added to nagging fears about high-leverage loans, depressed earnings, and reductions in debt ratings.

"It looks like we are making a run down the whole worry list today," said James J. McDermott Jr., executive vice president and research director of Keefe, Bruyette & Woods Inc.

Interest-rate concerns also helped drag down the broader stock market, which had one of its most volatile days of the year. Hit early and often, bank stocks ended the week near their levels of two weeks earlier – prior to their best performance of the year.

Analysts said Friday was the bloodiest day for the bank group since April 5 and 6, when a panic selloff followed a meeting between bank analysts and officials from the Office of the

See **STOCKS** *back page*

Seidman Urges RTC to Scrap Asset Appraisal

By BARBARA A. REHM

WASHINGTON — In a move that real estate experts said would greatly speed the sale of seized thrift assets, the Resolution Trust Corp. is expected to start using competitive bids instead of appraisals to determine the sale price of property, according to L. William Seidman, the agency's chairman.

Asset values are now determined by an appraisal process, which has proved cumbersome and sometimes fruitless. High prices set by appraisers have contributed to the RTC's troubles in selling assets from seized thrifts.

"We are looking at how to establish market value without appraisals," Mr. Seidman said in an interview last week. "If you advertise broadly and you have 50 bidders and three of them are within 5% of each other, then that is the market price."

The RTC's four-member board will consider the proposal at a meeting Tuesday. Mr. Seidman's support is expected to assure approval.

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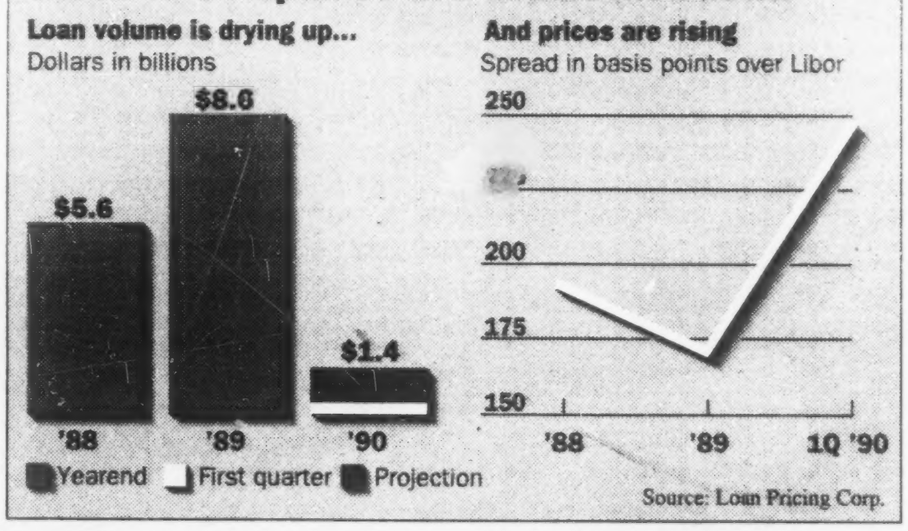
Cable TV Companies in a Credit Slowdown



Regulators' Leverage Guidelines Blur Credit Picture for Cable TV

By CURTIS SIMMONS

NEW YORK — Aided by the seemingly bottomless pockets of their bankers, cable television companies expanded rapidly in the 1980's, fighting for valued franchises and eventually devouring one another in a great wave of consolidation.

But now, according to bankers and industry experts, credit for cable TV companies is drying up fast. The reason: new regulatory guidelines for bank loans to leveraged companies, announced in February.

These standards, combined with turmoil in the junk bond market following the demise of Drexel Burnham Lambert Inc., have cast a pall on the market for highly leveraged transactions. And perhaps no other industry has been as severely affected as cable TV.

"Banks are feeling the effects of HLTs and the feds hunkering down on them," said William Schink, vice president for media and communications lending at General Electric Capital Corp. "They are becoming more conservative."

"It is tougher to get deals done during this uncertainty," said

See **CABLE** *page* **16**

PEOPLE *in the news*

James Large Has Anchor Back on Hopeful Course

By PHIL ROOSEVELT

When James M. Large Jr. arrived at the troubled Anchor Savings Bank last year, rivals and analysts were quick with the quips: Mr. Large faces a big job; Anchor is sinking; glub, glub, glub.

The jokes may soon subside. Last week, after 12 months as chairman and chief executive of the Hewlett, N.Y.-based thrift, the veteran of First Interstate Bancorp reported that his turnaround effort was well on the way to success. In the latest sign of hope, the Office of Thrift Supervision approved Anchor's plan for meeting capital standards within two years.

The action by the OTS markedly reduces the chances that regulators will seize the $9 billion asset-thrift, one of the largest on the East Coast. Thus, the action has given new life to Mr. Large's vision of a completely revived Anchor.

"We've demonstrated by what we've accomplished so far that we have the right to continue," he said in an interview. "Now we have to take it the rest of the way."

James M. Large Jr.

Indeed, Anchor still has major problems. It has posted losses in each of the past five quarters, and it has negative tangible capital of about $200 million. To meet the capital requirements of the 1989 bailout law, Anchor needs about $330,000.

The thrift has been hobbled by large amounts of nonearning goodwill, low yields on assets, and high overhead costs. Analysts place much of the blame on a seemingly random acquisition spree launched in the early 1980s under Mr. Large's predecessor, Donald L. Thomas.

Mr. Large, 57, joined Anchor last April after earning turnaround stripes as an executive vice president at First Interstate. He helped revive 15 of the company's small banks. Previously, he led a turnaround at First National Bank of Allentown, Pa.

"Banking is my hobby," says Large, who acknowledges that he's a workaholic.

At Anchor, Mr. Large has already taken dramatic action, slashing the thrift's head count 35% to 2,058. And it looks like he has only started.

Branch Sales Part of Plan

Under his capital plan, Anchor will raise money partly by selling as many as 58 of its 120 branches, including $2 billion of deposits. The targeted branches are in the Southeast, rather than Anchor's core market in metropolitan New York. Anchor will also sell some mortgages and other assets and seek to convert cumulative preferred stock into instruments that count as capital.

The planned branch closures required a huge goodwill writedown for the quarter ending March 31. As a result, Anchor posted a loss of $169 million for the period. Excluding one-time charges and gains, the thrift lost about $3 million, down from $7 million in the previous quarter and $12 million in the quarter before that.

The thrift will return to the black in "a reasonable period of time," Mr. Large said.

"The basic franchise is really alive and well," he said. "Our market share is growing, our deposits are growing, and we've opened more checking accounts in the last month than we did in the last 12 months." □

Liquidity Crisis Had Hit Lincoln, Regulator Says

By LISA A. HAMMOND
Special to the American Banker

WASHINGTON — A federal regulator testified on Friday that Lincoln Savings and Loan Association was in a liquidity crisis when the government seized it last spring.

The testimony came on the final day of the government's defense of the seizure of the Irvine, Calif., institution, whose liquidation could cost taxpayers $2 billion or more.

Charles H. Keating Jr., chairman of Lincoln's parent, American Continental Corp., Phoenix, claims federal regulators improperly devalued Lincoln's assets to justify seizing the thrift.

The preliminary hearing on Mr. Keating's suit to regain control of the California thrift lasted 27 days.

Examination Called Standard

Keith Seibold, the western regional director for the Federal Deposit Insurance Corp. who supervised the Lincoln takeover, said in the preliminary hearing Friday that the asset values were changed after standard FDIC examinations of the thrift.

Mr. Seibold testified that Lincoln's state at the time of its seizure was "one of the most chaotic situations I've seen in my 20 years at the FDIC."

"Lincoln had a severe liquidity crisis when we walked in," he said.

Final arguments are scheduled for June 8. Federal District Judge Stanley Sporkin can dismiss the case, issue a summary judgment, or order a trial.

John E. Lundin, Mr. Keating's lawyer, predicted that the case would go to trial.

But lawyers for the government disagreed. "I think this is the trial, although the judge hasn't told us what he is going to do," said government attorney Paul E. Gutermann.

Ms. Hammond writes for the Medill News Service.

First Chicago Net Off 45%; Chief Says No Data Leaked

By NANINE ALEXANDER

CHICAGO — First Chicago Corp. chairman Barry F. Sullivan denied on Friday that the bank company gave analysts detailed information about its problem loans while briefing them in advance of releasing first-quarter earnings.

The bank company reportedon Friday that first-quarter profits plunged 45% to $68.6 million because of problems with real estate loans. The decline was expected, since First Chicago announced three weeks ago that first-quarter profits would probably be cut in half because of an increase in the loan-loss provision to cover badreal estate loans.

Speculation centered on troubled VMS Realty Partners. In a published report, James J. McDermott Jr. of Keefe, Bruyette & Woods Inc. was quoted as having been told by First Chicago that it had about $200 million of loans outstanding to VMS. The bank and Mr. McDermott denied the story.

At a news conference on Friday Mr. Sullivan again denied the allegations, which reportedly sparked an inquiry by the Securities and Exchange Commission. Of the investigation, Mr. Sullivan said, "We haven't heard anything from the SEC."

First Chicago's provision for loan losses in the first quarter grew more than threefold to $160 million from $50 million in the year earlier quarter. Nonperforming loans grew 32.6% to 1.05 billion from $792 million last year.

Real Estate Woes May Persist

Although Mr. Sullivan said he expected that the loss provision would return to normal levels in the next quarter, he did not rule out more difficulties in real estate. He said there are a few loans that are being closely scrutinized.

Analysts said the numbers were in line with expectations.

Christoph A. Kotowski, an analyst at Oppenheimer & Co., said the amount of nonperforming loans was at the low end of his expectations. He also thought First Chicago's 112% ratio of reserves to nonperforming loans was a positive sign.

Mr. Kotowski said he thought net interest margin of 2.89% was weak. In the year earlier quarter it was 3.37%. Net interest income declined to $327 million from $332.2 million a year ago. □

FIRST CHICAGO CORP.
Chicago
Dollar amounts in millions (except per share)

FIRST QUARTER	1Q '90	1Q '89
Net income	$68.6	$124.7
Per share	0.92	1.79
Net interest income (tax. equiv.)	327.0	332.2
Spread	2.89%	3.37%
ROA	0.53%	1.11%
ROE	10.9%	23.9%
Noninterest income	312.5	249.5
Noninterest expense	375.9	343.2
Loss provision	160.0	50.0
Net chargeoffs	37.4	74.0

BALANCE SHEET	3/31/90	3/31/89
Assets	$49,992	$45,054
Deposits	32,544	32,219
Loans	30,316	28,225
Shareholder equity	2,720.0	2,471.0
Loss reserve	1,064.0	1,292.0
Reserve/loans ratio	3.5%	4.6%
Nonperf. loans	1,050.0	792.0
Nonperf. loans/loans	3.5%	2.8%
Primary capital ratio	8.1%	8.9%

Correction

A ranking of bank holding companies based on risk-based capital ratios was published April 19 (page 24). City National Corp., Beverly Hills, Calif., said ratios that it had supplied were understated.

At yearend 1989, the bank's actual Tier 1 and total capital ratios were 8.52% and 9.61%, respectively, ranking City National 27th in Tier 1 and 53d in total capital among the top 100 banking companies.

Highly Leveraged Loans Reduced At Wells Fargo, President Says

Reuters

LOS ANGELES — Wells Fargo & Co., which earlier reported a 19% increase in earnings per share for the first quarter, is passing up some business in highly leveraged transactions because the deals do not meet its standards, president Paul Hazen said.

"Our [highly leveraged] outstandings are trending downward in the first quarter and the reason is that we saw few deals that met our standards," he told the annual meeting last week.

He noted that at the end of 1989, the company's outstanding highly leveraged loans stood at $4.2 billion under a new definition laid down by U.S. regulators.

Mr. Hazen said that Wells' experience with HLTs had been relatively favorable because of the in-house standards such transactions must meet before Wells joins a deal.

"From 1983 to 1988, we did not have any losses under the old definition and in 1989 we had only one for $30 million," he said.

Because of its HLT portfolio, Wells' stock has been vulnerable to jitters in U.S. financial markets and the problems that have arisen in the high-yielding junk bond market.

Wells' large commercial real estate portfolio also has made it vulnerable to stock market concern that the problems in real estate markets in the Northeast will spread to California, which so far has been immune. □

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COMMENT / *By Paul Nadler*

Image of Bankers Out of Step With Changes in the Industry

One of banking's major concerns today is image. How can we differentiate our ethical operations from the scandalous operations of some thrifts and Wall Street firms when the public thinks that every financial institution is a "bank"?

How can we get the public to know the difference between a thrift that has recently been allowed to take the name "bank" and a full-service bank that has been in the business for years?

How can we get people to accept the fact that, even though a bank joins a superregional or statewide organization, it is still the local bank doing its job on the same old corner?

The Latest Challenge

These image challenges are well known. But there is another that may be equally important: Demonstrating to college graduates just entering the work force what a bank truly is and does, and dispelling the outdated, stereotyped image.

There is a sharp distinction between a banker's image and what a banker actually does.

Most college students still think of a banker as someone who knows how to dress properly, choose the right food and wine, mingle with the right people, and occasionally sign these people up for deposit or borrowing services. The expression "bankers' hours" remains a part of our vocabulary, no matter how long bankers work in 1990.

I wrote a column over a decade ago to emphasize that the exciting new frontier of banking had become the operations area. At that time, the students only wanted so-called fast-track training programs for lending officers.

'Anyone Can Put on a Vest'

I received a call from Walter Wriston's office asking me to spend a morning discussing this issue with the policy committee of Citibank, where he was then CEO. I'll never forget Mr. Wriston's comment to me: "Anyone can put on a vest and lend to Corning Glass. It's the guy who breaks up the knife fights in the computer room that keeps this bank going."

There is still an opportunity to get the cream of today's crop of students to understand what is involved in banking and how exciting it can be.

But while bankers have had an image problem with students for decades, where the difference between image and reality comes to the fore in 1990 is in the wooing of bright people to bank examination service.

When students come to me looking for entry-level jobs in banking, I remind them that

'The expression "bankers' hours" remains a part of our vocabulary, no matter how long bankers work in 1990.'

banks are laying off thousands of people rather than hiring. Banks that do need people have a pool of trained personnel who were unfortunate enough to have been with the wrong bank but who are now available for new challenges.

Rare indeed will be the college graduate who is given an opportunity to be hired and trained by a bank in 1990 – an era of the worst bank results in half a century.

Demand for Examiners

But good young people are needed desperately in bank examination. If we have learned anything from the thrift industry fiasco, it is that we need far more and far better trained supervisors and examiners.

Yet again, look at the image of bank examiners. The examiner is still thought of a the young CPA who "counts the cash" and makes sure all the paper is in the vault and all the documentation is correct.

How different this is from the real role of bank examiners today in determining whether banks are safe, whether they are meeting their capital requirements, and whether they are reserving adequately against loan losses. In fact, the examiner may have too much say, rather than too little, in the running of most banks today.

Best, Brightest Not Wooed

Yet what efforts have the examination staffs of the federal and state regulatory agencies made to get this information across to students and thereby to woo the "best and the brightest" into bank examination?

Professors of banking get few calls from examiners wanting to interview their students. But the need for good students is so great that when I sent a bright young woman to a regional office of the Comptroller of the Currency, the regional comptroller not only wrote to thank me but asked if I had more students like her.

Banks and bank examiners thus face a challenge to change their image. Their effort will have a major impact on the industry long after today's thrift bailout and bank loss problems are solved. For if our best students do not know what bank work can accomplish, the industry will not be able to keep up with the changes in this ever more complex economic environment. □

Mr. Nadler is professor of finance at Rutgers University's Graduate School of Management.

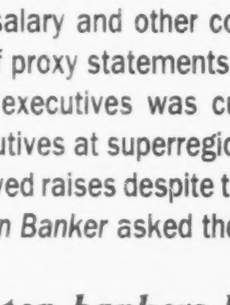
"SOUND OFF"

More than 40 bankers in the United States were paid better than $1 million each in salary and other compensation in 1989, an *American Banker* review of proxy statements found. While the pay of some money-center bank executives was cut somewhat, sharp pay increases were given executives at superregional and regional banks. Some chief executives received raises despite their banks' poor results. Jeffrey Marshall of *American Banker* asked the following people for their views.

Q Are top bankers being paid too much, and should pay be tied more closely to performance?

■ Emanuel N. Monogenis
Partner
Heidrick and Struggles Inc.

I think the question should be: What are they paid in comparison to whom? In comparison to a rock star or an athlete? With a rock star, you know how much has been generated because the person filled Madison Square Garden.



Those bank presidents who produce more should be paid more. If they produce $600 million in profit, what's wrong with paying them $2 [million] or $3 million? If it's clear to directors that an individual is producing a certain level of profit, I don't have a problem calling whatever pay that person gets justified. The cynicism revolves around people who aren't performing . . . .

If there is accountability following performance, then people won't mind [what top executives are paid].

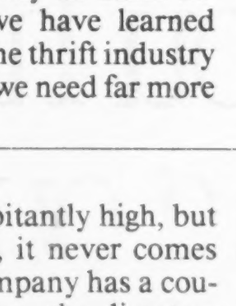
■ Dan Williams
Banking industry analyst
Sutro & Co.

I would think the time is not too far off when corporations in general would be well-advised to do something that really does tie the compensation of senior executives of a company to performance. And I mean a program which doesn't just stair-step up [the compensation].

One of the problems is that, in the last few years, executive compensation may or may not have been exorbitantly high, but when it is high, it never comes down. If the company has a couple of lousy years, the directors never find a way to bring it down. It never gets adjusted. In our business, if production goes down, compensation goes down.

■ Steven E. Hall
Managing director
Pearl Meyer & Partners Inc.

Generally, what we're seeing with banking is an industry in a state of transition. It's no longer what it used to be years and years ago. And while the business has changed, we're finding that the compensation delivery systems in place for those top people has not changed as quickly . . . .



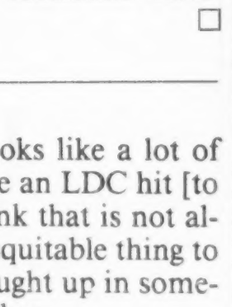
The important thing to focus on is the mix of salary that you pay someone that is short-term versus long-term and incentive. That's the place where banks are starting to make their strides. It's creating a proper balance between a guaranteed amount in terms of salary and what is more at risk in terms of performance. Some of our clients have really done a lot in the past few years, to [put] 40% to 50% of someone's total pay at risk. It's being very responsive.

One thing that creates a problem for banks is the whole LDC issue . . . . It looks like a lot of bankers did take an LDC hit [to their pay]; I think that is not always the most equitable thing to do. They got caught up in someone else's mistakes.

A lot of these bankers aren't exactly sleepily taking in deposits and doling out loans. Now, they're in businesses where there's a lot of risk and opportunities to make a lot of money.

■ Margaret-Ann Cole
Manager, benefits and compensation
Deloitte & Touche

A million dollars isn't what it used to be. If you figure that a regular middle-management person is making $60,000 or $70,000, in a number of years, with good raises of 10% or so, that person may be making a quarter of a million.



I think we're moving much closer to a [pay-for-] performance path, particularly with the job market being so tight. It's very performance-driven, much more so than in past years. In the early '80s, pay was out of control. Companies would pay a lot to get these hotshots on board and then find that maybe they weren't worth so much.

I really feel that the tight job market is filtering into these industries . . . . A lot are offering lower base salaries and bigger bonuses. I really think that's the wave of the future. □

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GLOBAL *dispatches...*

Economist To Begin 2d Stint Atop Argentine Central Bank

Reuters

BUENOS AIRES — Orthodox economist Javier Gonzalez Fraga will return to head Argentina's Central Bank this month, a senior bank official said.

It has not yet been decided whether Mr. Gonzalez will be named president or whether he will have a new title after the Central Bank is restructured, said the bank official, who asked not to be named.

Mr. Gonzalez Fraga was President Carlos Menem's first Central Bank president. He resigned in November after his differences with former Economy Minister Nestor Rapanelli became public and affected Argentina's sensitive financial markets.

The Peronist administration plans to split the Central Bank into at least three bodies, the official told Reuters. One branch will be responsible only for monetary policy; a second will supervise the banking system, and the third will handle foreign trade.

Mr. Gonzalez Fraga was a consultant to foreign and local banks before becoming Central Bank president. In his 20-week tenure, its foreign reserves rose to $2 billion from almost nil when he took over from a Radical Party predecessor amid hyperinflation.

A supporter of a free-floating exchange rate, Mr. Gonzalez Fraga clashed last year with Mr. Rapanelli, who intended to keep the currency's parity fixed at 652.5 australs per U.S. dollar until 1991.

Mr. Rapanelli quit in December after the austral crashed past 1,500 per dollar in the black market and hyperinflation resumed. The austral, floated in January, now stands at 4,905 to the dollar.

... by country

SPAIN

Gonzalo de Las Heras, managing director in charge of **Morgan Guaranty Trust** Co.'s Latin American division, is leaving to join Spain's **Banco Santander**.

Mr. De Las Heras will join Banco Santander's senior management as adviser on international strategy to the bank's chairman, Emilio Botin.

The 50-year-old, Spanish-born banker joined Morgan in 1978 in Madrid, where he headed the U.S. bank's representative office. He subsequently was instrumental in building up Morgan's debt trading and corporate finance activities in Latin America.

— James Kraus

CZECHOSLOVAKIA

The International Monetary Fund has readmitted Czechoslovakia, state-run television quoted Finance Minister Vaclav Klaus as saying.

Mr. Klaus told reporters he had just returned from a meeting in Spain where Czechoslavakia's readmission to the fund was confirmed. The nation formally applied for IMF membership in January, and Mr. Klaus has said he expected admission to be granted at the IMF's annual meeting in September.

Czechoslavakia would join the so-called Belgian group in the IMF, with countries such as Belgium, Hungary, Turkey, and Luxembourg of equal status.

— Reuters

PHILIPPINES

The government is drafting a program to trim its consolidated public sector deficit and keep closer to a level agreed on with the International Monetary Fund, Central Bank Governor Jose Cuisia said.

Failure to comply with IMF economic targets would delay release of the third tranche from a $1.17 billion, three-year loan facility designed to support economic growth.

The IMF wants Manila to stick to the target deficit of 33.4 billion pesos or 3% of estimated 1990 gross national product, Mr. Cuisia told reporters.

Based on current trends, the consolidated public sector deficit is ballooning to 55.2 billion pesos or 5% of GNP, officials said.

— Reuters

MEXICO

The World Bank said it approved a $450 million loan to Mexico to help finance a project to expand electrical transmission and distribution systems and to renovate thermal plants.

The loan is part of a $7.1 billion, 10-year project to improve Mexico's electrical systems. The Inter-American Development Bank and bilateral agencies are expected to cofinance the project, the World Bank said.

The loan is for 17 years at a variable interest rate, currently 7.75%, linked to the World Bank's cost of borrowing.

— Reuters

AUSTRALIA

Australia and New Zealand Banking Group and **National Australia Bank** announced cuts in their 18.75% prime reference lending rates, effective today.

ANZ Group managing director Reg Nicolson said his institution's cut, to 18.5%, reflected the falling cost of deposits. "If the cost of these deposits continues to fall, this will translate into further cuts in the ANZ reference rate," he said.

National Australia cut its benchmark rate to 18.25%.

— Reuters

JAPAN

The Finance Ministry said it is considering making it easier for foreign banks to open branches in Japan, and foreign bankers said the move is expected mainly to benefit **Citicorp**'s Citibank unit.

— Reuters

Bankers Warming to Brazil Talks

Odds Seen Improving for Some Payment this Year

By JAMES R. KRAUS

NEW YORK — Brazil's willingness to open debt-reduction talks is increasing the chances that its creditor banks may recover some of the money they are owed this year, bankers predicted.

"The discussions we have had privately so far lead us to believe they want a constructive solution," said a banker in New York. "The odds that banks will get some interest are excellent. The odds of our being paid 100% are zero."

Brazil owes foreign commercial banks about $65 billion out of a total foreign debt of $115 billion, more than the $48.5 billion Mexico owed foreign banks before its debt restructuring. The Brazilian debt includes $16.3 billion owed to U.S. banks, with Citicorp the single largest creditor.

Arrears Top $5 Billion

Brazil stopped making interest payments in June and its interest arrears exceed $5 billion. The missed payments were partly responsible for the reduced profits reported by several major U.S. banks for the first quarter.

Brazil paid Citicorp $170 million in interest last year, compared with $661 million a year earlier.

It paid Chase Manhattan Corp. $100 million, down from $365 million a year earlier; BankAmerica Corp., $105 million, down from $351 million; Manufacturers Hanover Corp., $73 million, down from $256 million; J.P. Morgan, $65 million, down from $240 million; and Chemical Banking Corp., $46 million, down from $205 million.

Loans to Brazil

As of Dec. 31, 1989

	($ mil.)
Citicorp	$3,300
BankAmerica	1,809
Chase Manhattan	1,577
Manufacturers Hanover	1,269
Chemical Banking	1,096
J.P. Morgan	600
Bankers Trust	457
First Chicago	347
Continental Bank	197
Bank of New York	44

Source: Keefe, Bruyette & Woods Inc.

Assurances Repeated

Brazilian officials have repeatedly affirmed their commitment to reaching an agreement with banks since a new government under President Fernando Collor de Mello took office in March.

Citing Economics Minister Zelia Cardoso de Mello and central bank president Ibrahim Eris, *The Wall Street Journal* last week reported that Brazilian officials hope to begin preliminary talks with banks on a debt reduction agreement at the International Monetary Fund-World Bank meeting in Washington early next month.

Payments Restricted

Brazil recently introduced a tough austerity program to put the brakes on runaway inflation but said it does not intend to make more than $5 billion in interest payments on its foreign debt.

Observers warned that negotiations between Brazil and its banks may well be as protracted as debt-reduction talks with Mexico, which took nearly a year to complete.

They predicted that banks may get only token interest payments and will probably not see the rest until after an agreement is concluded.

Pessimism Voiced

"I wouldn't be particularly hopeful about a glow of debt servicing coming," said Paul M. Sacks, president of Multinational Strategies Inc. a New York-based international advisory firm.

A debt reduction agreement would be the fifth since Treasury Secretary Nicholas F. Brady called on banks last year to forgive a portion of their loans to heavily indebted nations.

Five deals struck so far have been with with Mexico, the Philippines, Costa Rica, Venezuela,and Morocco. □

Bundesbank Touting 2-1 Swap of Marks

By JANET GUTTSMAN
Reuters

FRANKFURT — As the debate heats up over terms of German monetary union, the Bundesbank has gone on the offensive to support its controversial proposal to swap eastern marks for western marks at a general rate of two for one.

Normally reticent central bank officials have appeared on national and regional television programs. Bundesbank board members have pleaded their case in a series of newspaper articles and interviews.

"The Bundesbank is arguing that it has been misunderstood," said Martin Wiedmann, a vice president of Citicorp's Citibank.

The West German central bank says a 2-to-1 swap rate is essential to allow East German firms to repay their massive debt and to prevent a sharp rise in monetary growth.

Exclusion for Personal Savings

The only exception to the rate would be the first 2,000 marks – about $1,200 – of personal savings, which should be swapped at par, it says.

East German leaders, including new Prime Minister Lothar de Maiziere, have turned down the idea. In a televised speech Thursday to East Germany's first freely elected parliament, Mr. de Maiziere said East Germans' dignity and property were at stake.

"We [the two Germanys] must reach an accord that will ensure East German citizens do not get the feeling they will become second-class citizens," the Christian Democratic leader said.

Bundesbank President Karl Otto Poehl said last Thursday that the Bundesbank plan had been misinterpreted. The proposals would not lead to a halving of East Germany's already low wages because wages would be raised before monetary union is set, Mr. Poehl said. □

Key International Rates*

	Day-to-day money			3-mo. interbank			6-mo. interbank			Discount rate			Prime equivalent		
	4/20	4/19	4/13	4/20	4/19	4/13	4/20	4/19	4/13	4/20	4/19	4/13	4/20	4/19	4/13
United States	8.25	8.37	8.31	8.56	8.56	8.50	8.75	8.75	8.62	7.00	7.00	7.00	10.00	10.00	10.00
Japan	7.25	7.12	7.12	7.43	7.43	7.50	7.56	7.56	7.62	5.25	5.25	5.25	6.25	6.25	6.25
Canada	13.12	13.25	13.16	13.62	13.62	13.41	13.75	13.87	13.66	13.77	13.61	13.61	14.75	14.25	14.25
U.K.	15.00	15.00	14.85	15.18	15.18	15.29	15.56	15.56	15.54	14.58	14.61	14.61	15.00	15.00	15.00
West Germany	7.87	7.87	7.91	8.25	8.25	8.29	8.62	8.62	8.60	6.00	6.00	6.00	10.50	10.50	10.50
Switzerland	11.00	10.25	9.41	9.56	9.43	9.29	9.37	9.37	9.22	6.00	6.00	6.00	11.25	11.25	11.00
France	9.68	9.87	10.04	9.87	9.93	10.10	10.06	10.06	9.54	9.50	9.50	9.50	10.80	10.80	10.80
Italy	12.25	12.25	11.79	12.18	12.18	12.04	12.43	12.43	13.54	13.50	13.50	13.50	14.00	14.00	14.00

Forward Rate Agreements

	U.S. dollars	Sterling	West German marks	Swiss francs	Yen
3 to 6 months	8.37	15.30	8.73	10.12	7.64
6 to 12 months	8.11	15.13	9.04	8.90	7.71
12 to 24 months	9.67	14.22	8.07	8.33	7.59

* Midday quotes in the New York market

Source: Noonan, Astley & Pearce Inc., New York.

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